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May 12, 2006

Reply to: Columbia

VIA HAND DELIVERY

Mr. Charles L. A. Terreni
Chief Clerk and Administrator
The Public Service Commission of S.C.
P. O. Drawer 11649
Columbia, S.C. 29211

RE: Docket No. 1997-239-C/Proceeding to Establish Guidelines for an Interstate
Universal Service Fund
Our File No. 3610.001

Dear Mr. Terreni:

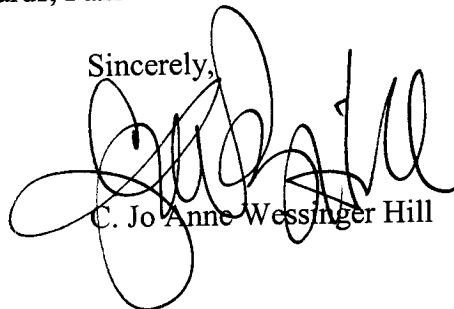
Enclosed for filing are an original and sixteen copies of Verizon South Inc.'s (hereinafter, "Verizon's") Response to Petitions by the Office of Regulatory Staff (hereinafter, "ORS") and South Carolina Cable Television Association (hereinafter, "SCCTA"). Please return one file-stamped copy to our courier.

By copy of this letter, I am serving all parties of record with a copy of this Response as indicated on the attached Certificate of Service.

If you should have any questions concerning this matter please contact my office.

With kind personal regards, I am

Sincerely,



C. Jo Anne Wessinger Hill

CJWH/mef
Enclosures

cc: Parties of Record

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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1997-239-C

IN RE:)
)
INTRASTATE UNIVERSAL SERVICE) **RESPONSE OF VERIZON SOUTH**
) **INC. TO PETITIONS OF THE OFFICE**
FUND) **OF REGULATORY STAFF AND THE**
) **SOUTH CAROLINA CABLE**
) **TELEVISION ASSOCIATION**

Verizon South Inc. ("Verizon") respectfully submits this Response to the Petition for Order Clarifying USF Guidelines and Request for Expedited Relief filed by the Office of Regulatory Staff ("ORS" and the "ORS Petition") and the Petition in Support of ORS's Petition and to Raise Additional Issues filed by the South Carolina Cable Television Association ("SCCTA" and the "SCCTA Petition").

I. ORS Petition

Verizon agrees with the ORS that the Commission should review and rule on the issues in the ORS Petition on an expedited basis, since the ORS is seeking only to clarify the Commission's existing rules, not expand or alter them. Verizon supports the ORS Petition to the extent that it seeks clarification that international, broadband, and wireless service revenues should be excluded from USF assessments (Issues 1 and 2). Verizon takes no position on the other three issues raised in the ORS Petition.

II. SCCTA Petition

Verizon opposes the SCCTA Petition insofar as it seeks to expand the scope of the ORS Petition beyond clarification of existing rules. Specifically, SCCTA requests

that, in addition to the issues raised by the ORS, the Commission (1) consider whether to modify its existing rules to require that wireless revenues be included within the USF; (2) adopt new requirements for annual reviews of costs and charges to determine the size of the USF; and (3) determine whether access lines sold as part of a bundle of services should be eligible for USF support.

In each of these issues, SCCTA is seeking modification – not mere clarification – of existing guidelines, and thus they should not be addressed together with the ORS Petition. Indeed, the issues raised by SCCTA, if the Commission considers them at all, would require testimony and a hearing to develop a sufficient factual record, which would unnecessarily delay the clarifications sought by the ORS. It appears that, based on representations in the ORS Motion, SCCTA does not object to separate consideration of the issues raised by the ORS.

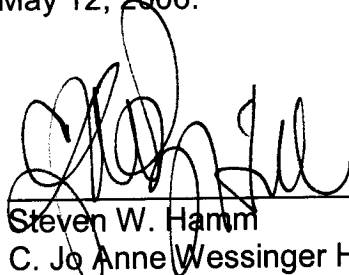
If the Commission decides to address the additional issues raised by the SCCTA in a separate phase of this proceeding, Verizon fully reserves any legal positions it may take with regard to whether it is appropriate to include wireless revenues within the USF assessment in South Carolina, whether any additional requirements for assessing costs and charges is necessary, or whether USF support should be available for access lines that are sold as part of a bundled package.

CONCLUSION

For the foregoing reasons, Verizon respectfully requests that the Commission deny the SCCTA's request to address additional issues together with the issues raised in the ORS Petition.

Respectfully submitted on May 12, 2006.

By:



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**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 97-239-C

IN RE:

Proceeding to Establish Guidelines)
For an Interstate Universal)
Service Fund)

CERTIFICATE OF SERVICE

This is to certify that I, the undersigned employee of Richardson, Plowden, Carpenter & Robinson, P.A. have caused to be served this day, May 12, 2006, one (1) copy of Verizon's RESPONSE to the Petitions of the ORS and SCCTA in the above referenced docket by placing a copy of same in the care and custody of the United States Postal Service, first class postage prepaid to the following Parties of Record:

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May 12, 2006
Columbia, South Carolina